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## Appropriations Committee

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### HB 1938

**Brief Description:** Addressing the employment and retirement rights of members of the armed forces called to active duty.

**Sponsors:** Representatives Hinkle, Darneille, Morrell, Ericks and O'Brien.

#### Brief Summary of Bill

- Permits members of the Public Employees' Retirement System Plan 1 (PERS 1) to receive interruptive or non-interruptive military service credit while serving honorably in eligible military service.
- Adds the global war on terrorism, Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom to the armed conflicts that qualify a member for military service credit in PERS 1.
- Applies the provisions of the bill retroactively to September 11, 2001.

**Hearing Date:** 2/22/05

**Staff:** David Pringle (786-7310).

#### Background:

While all of Washington's state-sponsored retirement systems provide credit for interruptive military service, only two plans provide military service credit for non-interruptive military service. Non-interruptive military service credit, often referred to as prior military service credit, applies to military service before joining PERS 1 or the Washington State Patrol Retirement System Plan 1, for up to 5 years of credit after 25 years of plan membership, and after the member pays the full actuarial value of the service credit. TRS 1 members are not authorized to receive credit for prior military service.

Federal law provides employment and re-employment rights to members of the military, including the federal Uniformed Services Employment and Reemployment Rights Act (USERRA), and Washington law is currently in conformance with these federal requirements. The USERRA addresses the rights of employees to benefits, including pension benefits, upon reemployment with their employers after serving in the military.

#### Summary of Bill:

The intent of the Legislature is to protect members against federal law changes that have not been implemented in state law, and comply with federal laws including USERRA, the Employee Retirement Income Security Act (ERISA), and the regulations of the federal Internal Revenue Service in implementing benefits on behalf of retirement system members.

The definition of "veteran" used for both interruptive and non-interruptive military service credit in PERS 1 is amended to include the global war on terrorism, Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom.

A member of PERS 1 qualifies for non-interruptive military service credit while a member is actively serving honorably, in addition to after being honorably discharged, or being discharged for physical reasons with an honorable record.

A member of PERS 1 qualifies for military service credit after completing 25 years of creditable service without returning to covered employment. A member who would have become eligible for a retirement benefit if they had continued working for a PERS 1 employer for a period that he or she is serving as a veteran may apply to the Department of Retirement Systems for military service credit.

The act applies retroactively to September 11, 2001.

**Appropriation:** None.

**Fiscal Note:** Requested on February 18, 2005.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.